

NEWS RELEASE



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SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

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For Immediate Release

***AFO LEADER FRANCISCO JAVIER ARELLANO-FELIX
APPREHENDED OFF THE COAST OF SOUTHERN CALIFORNIA***

NEWS RELEASE SUMMARY - August 17, 2006

United States Attorney Carol C. Lam announced today that on August 14, 2006, Francisco Javier Arellano-Felix, the current leader of the narcotics trafficking Arellano-Felix Organization (“AFO”), was arrested by the United States Coast Guard in international waters south of Cabo San Lucas, Baja California Sur, Mexico. The Coast Guard, working closely with the United States Drug Enforcement Administration, apprehended Arellano-Felix and seven other adults in a recreational vessel on Monday, August 14, and arrived at the Coast Guard facility in San Diego this morning, where they were taken into custody by the DEA and U.S. Marshals.

Francisco Javier Arellano-Felix is the youngest of four Arellano-Felix brothers who have controlled the drug cartel since the late 1980's. Francisco Javier Arellano-Felix assumed over control of the cartel in March of 2002 following the incapacitation of his older brothers Benjamin (arrested in Mexico in March

2002) and Ramon (killed in Mexico in February 2002). For more than a decade, the AFO has been one of the largest, and most violent, drug trafficking organizations operating in the Tijuana, Baja California, Mexico area. Its principal business is the smuggling of cocaine and marijuana into the United States from Mexico in multi-ton quantities, and the further distribution of those controlled substances, using violence, corruption, and money laundering to achieve the organization's goals.

According to Assistant U.S. Attorney Laura E. Duffy, who is prosecuting the case, a Superseding Indictment filed in the Southern District of California in December 2003 targets the leadership of the AFO, including Francisco Javier Arellano-Felix and his surviving brothers Benjamin and Eduardo (fugitive). The charges in the superseding indictment include: (a) RICO conspiracy; (b) Conspiracy to Distribute a Controlled Substance, Intending Unlawful Importation; (c) Conspiracy to Import a Controlled Substance; (d) Conspiracy to Distribute a Controlled Substance; and (e) Conspiracy to Launder Monetary Instruments; as well as criminal forfeiture allegations.

The indictment alleges that beginning in approximately 1991, Francisco Javier Arellano-Felix became active in the AFO and that his role in the cartel steadily increased during the 1990s, during which time he participated in major decisions, and acted as his brother Benjamin Arellano-Felix' representative. According to the indictment, some of the cartel decisions that Francisco Javier Arellano-Felix participated in include the cartel's receipt of large drug shipments, the transportation of drug shipments into the United States, and "enforcement" activities undertaken by members of the AFO, including the kidnaping/murder of cartel "enemies." The indictment also alleges that in 2000, after the arrest of AFO Lieutenant Ismael Higuera-Guerrero, Benjamin Arellano-Felix put Francisco Javier Arellano-Felix in charge of AFO daily Tijuana/Mexicali operations, and in 2002 Francisco Javier Arellano-Felix became the cartel's ultimate leader following Benjamin's arrest.

According to U.S. Attorney Lam, "Law enforcement deserves a great deal of credit for this operation, which was carefully planned and perfectly executed. We now have in custody the head of one of the deadliest drug organizations in history."

Drug Enforcement Administration Special Agent in Charge John S. Fernandes stated that “The apprehension of Francisco Javier Arellano-Felix definitively signals the end of the AFO's 25-year narcotics trafficking dominance. There remains no true and sufficient leadership under which the AFO is able to continue its nefarious drug trafficking activities. The DEA message and mission are unambiguous - drug trafficking and those who benefit from it are never beyond our grasp.”

Internal Revenue Service Special Agent in Charge Kenneth Hines added that “The financial expertise of Internal Revenue Service, Criminal Investigation special agents was an integral part of this coordinated effort in finding and stopping the flow of approximately \$290 million in illegal proceeds of narcotics trafficking by the Arellano-Felix Organization. The Javier Arellano-Felix arrest is another major blow to this powerful and vicious drug trafficking organization whose criminal enterprise included an elaborate money laundering scheme. IRS-CI special agents will stand ready to lead the efforts in combating the money laundering activities that are the backbone of illegal drug trafficking organizations.”

Federal Bureau of Investigation Special Agent in Charge Daniel R. Dzwilewski stated, “Yesterday's arrest demonstrates that law enforcement collaboration of resources can achieve tremendous results for our community and for the nation as a whole. The AFO has held a powerful grip over Tijuana for well over fifteen years. This arrest should effectively disrupt the AFO. Although drug trafficking will certainly continue, this will create a vacuum as other organizations compete for control of the valuable drug corridor.”

“I am extremely proud of the U.S. Coast Guard's contribution to this significant operation” said Rear Admiral Jody Breckenridge, Commander of the 11th Coast Guard District. “This operation is the direct result of our partnerships with the Department of Justice (DOJ) and the Drug Enforcement Administration (DEA). Information sharing and a collaborative planning process positioned the Coast Guard to move swiftly with the appropriate assets when DEA identified the window of opportunity. The Coast Guard continues to work with Department of Justice, the Drug Enforcement Administration, and other federal law enforcement partners on the disposition of the people and the Dock Holiday. This case demonstrates the importance and strength of ongoing interagency cooperation in the war on drugs.”

According to U.S. Attorney Lam, the San Diego investigation of Francisco Javier Arellano-Felix was coordinated by an Organized Crime Drug Enforcement Task Force (OCDETF). The OCDETF program was created to consolidate and coordinate all law enforcement resources in this country's battle against major drug trafficking rings, drug kingpins, and money launderers.

U.S. Attorney Lam praised the cooperative efforts in this case of the Drug Enforcement Administration (DEA), the Internal Revenue Service (IRS), the Federal Bureau of Investigations (FBI), the United States Coast Guard (USCG), Immigration and Customs Enforcement (ICE), Customs and Border Protection (CBP), the United States Marshals Service (USMS), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), as well as local law enforcement agencies. United States Attorney Lam also praised the efforts of the Mexican government and the cooperative working relationship between Mexican and United States law enforcement agencies.

The seven adults also apprehended on the boat with Arellano-Felix have been taken into custody and will be arraigned as material witnesses. Three children who were on the boat have been turned over to U.S. Customs and Border Protection and will be reunited with their families. The defendant and seven material witnesses will be arraigned at 3:30 p.m. before the Honorable Leo S. Papas.

DEFENDANT in 97cr2520-K

Francisco Javier Arellano-Felix, aka El Tigrillo

Height: 5'9" Weight: 190 lbs. DOB: 37 Residence: Tijuana, Mexico

Hair: Brown Eyes: Brown

SUMMARY OF CHARGES

1. RICO conspiracy
2. Conspiracy to Distribute a Controlled Substance
3. Intending Unlawful Importation
4. Conspiracy to Import a Controlled Substance
5. Conspiracy to Distribute a Controlled Substance
6. Conspiracy to Launder Monetary Instruments
7. Criminal forfeiture allegations